

CHAPTER NO. 681

SENATE BILL NO. 3158

**By Rochelle, Cooper, Elsea, Haynes, Ford, Williams, Carter, Crutchfield, Henry,
Graves, Atchley, Springer, Burchett, Burks**

Substituted for: House Bill No. 3082

By Rhinehart, Head, Ronnie Cole, Ralph Cole, McKee, Phelan, Curtiss, Brenda Turner,
Hassell, Gunnels, Kent, Scroggs, Sands, Briley, Ulysses Jones, McMillan, Towns, Buck,
Larry Turner,
Buttry, Lewis, Arriola, Ferguson, Pruitt, Langster, Pleasant, Stulce, McDaniel, Boyer,
Dunn, Wood, Bittle, Winningham, Walker, Maddox, Fitzhugh, Kisber

AN ACT To amend Tennessee Code Annotated, Title 56, Chapter 26, to allow trade and professional associations to pool their liabilities for accident and sickness insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 26, is amended by adding the following as a new section:

Section _____. Ten (10) or more employers of the same trade or professional association may enter into an agreement to pool their liabilities under this chapter for the purpose of qualifying as self-insurers. The trade or professional association shall have been in active existence in Tennessee for at least five (5) years and such association shall:

- (1) Have a constitution or bylaws;
- (2) Have members that support the association by regular payment of dues on an annual, semi-annual, quarterly or monthly basis; and
- (3) Be created in good faith for a purpose other than that of creating accident and sickness self-insurer pools.

The Commissioner of Commerce and Insurance has the authority to promulgate such rules and regulations in accordance with the Uniform Administrative Procedures Act, Title 4, Chapter 5, as deemed necessary to provide for the solvency, administration, examination, and enforcement of such pooling agreements. To the extent deemed necessary by the Commissioner of Commerce and Insurance, each employer member of such approved group shall be classified as a self-insurer as otherwise provided in this chapter.

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 26, is amended by adding the following as a new section to be appropriately designated:


Pools created under this act shall be subject to taxation under Chapter 4 of Title 56, filing and approval under Chapter 26 of Title 56, and laws for protection of policyholders under Chapter 7 of Title 56.

SECTION 3. Implementation of the provisions of this act shall be subject to the funding being provided in the General Appropriations Act.


SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 13, 2000


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 26th day of April 2000


DON SUNDQUIST, GOVERNOR